

ATTACHMENT C-1

\$20,000,000

REVOLVING CREDIT AGREEMENT

between

NICOR ENERGY L.L.C.

and

THE NORTHERN TRUST COMPANY

dated

September ____, 1997

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REVOLVING CREDIT AGREEMENT

REVOLVING CREDIT AGREEMENT dated as of July ____, 1997 by and between NICOR ENERGY L.L.C., a ____ limited liability company (the "Company"), and THE NORTHERN TRUST COMPANY, an Illinois banking corporation (the "Bank").

WHEREAS, the Company has requested that the Bank make revolving credit loans to it in an aggregate amount not exceeding \$20,000,000 at any time outstanding, and the Bank is willing to make such loans upon the terms hereof.

NOW, THEREFORE, the parties hereto agree as follows:

Section 1. Definitions and Accounting.

1.1. Defined Terms. As used herein, the following terms shall have the following meanings (terms defined in this Section 1.1 or in other provisions of this Agreement in the singular to have correlative meanings when used in the plural and vice versa):

"Affiliate" of any Person shall mean any other Person directly or indirectly controlling, controlled by or under common control with such Person. A Person shall be deemed to control another Person if the controlling Person owns 10% or more of the Voting Stock (or other ownership interests) of the controlled Person or possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of the controlled Person, whether through ownership of stock, by contract or otherwise.

"Alternate Base Rate" shall mean for each day such interest rate per annum as shall be the higher of (a) the Prime Rate on such day; or (b) the sum of (i) one half of one percent and (ii) the Federal Funds Rate on such day.

"Alternate Base Rate Loan" shall mean any Loan which bears interest at a rate determined with reference to the Alternate Base Rate.

"Authorized Officer" shall mean (a) in the case of the Company, its chief executive officer, its chief operating officer, its chief financial officer, any Person designated as an "Authorized Officer" of the Company in Schedule 1 attached hereto or any other Person designated as an "Authorized Officer" of the Company for the purpose of this Agreement in an officer's certificate executed by the Company's secretary, assistant secretary or chief financial officer and delivered to the Bank, and (b) in the case of the Bank, any officer of the Bank designated as its "Authorized Officer" in Schedule 1 or any officer of the Bank designated its "Authorized Officer" for the purpose of this Agreement in a certificate executed by one of its Authorized Officers. Any action taken under this Agreement on behalf of the Company by any individual who on or after the date of this Agreement shall have been an Authorized Officer of the Company and whom the Bank in good faith believes to be an Authorized Officer of the Company at the time of such action shall be binding on the Company even though such individual shall have ceased to be an Authorized Officer of the Company, and any action taken under this Agreement on behalf of the Bank by any individual who on or after the date of this

Agreement shall have been an Authorized Officer of the Bank and whom the Company in good faith believes to be an Authorized Officer of the Bank at the time of such action shall be binding on the Bank even though such individual shall have ceased to be an Authorized Officer of the Bank.

"Business Day" shall mean any day on which commercial banks are not authorized or required by law to close in Chicago, Illinois and, if such day relates to a borrowing, a repayment or a notice in respect of a Eurodollar Loan, a day which is also a day on which dealings in Dollar deposits are carried out in the London interbank market.

"Capital Lease Obligations" shall mean, as to any Person, the obligations of such Person which are required to be accounted for as capital leases on a balance sheet of such Person under GAAP and, for purposes of this Agreement, the amount of such obligations shall be the capitalized amount thereof, determined in accordance with GAAP.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.

"Commitment" shall mean the Bank's obligation to make Loans and issue Letters of Credit for the amount of the Company not exceeding twenty million dollars (\$20,000,000), as such amount may be modified by any assignment pursuant to Section 10.6, and as such amount may be modified from time to time pursuant to the terms hereof.

"Consolidated Cash Flow" means for any period, on a consolidated basis for the Company and its consolidated Subsidiaries, the sum (without depreciation) of (a) Net Income, plus (b) depreciation, plus (c) amortization expenses, including without limitation, amortization of good will and other intangible assets, plus (d) other non-cash charges classified as long term deferrals in accordance with GAAP, minus (e) charges against income for foreign, federal, state and local taxes, all as determined in accordance with GAAP.

"Consolidated Tangible Net Worth" shall mean, at any time, the total of shareholders' equity (including capital stock, additional paid in capital and retained earnings after deducting treasury stock) of the Company and its consolidated Subsidiaries calculated in accordance with GAAP, less the sum of the total amount of all intangible assets. Intangible assets shall include, without limitation, unamortized debt discount and expense, unamortized deferred charges and goodwill.

"Continue", "Continuation" and "Continued" shall refer to the continuation pursuant to Section 2.6 hereof of a Eurodollar Loan as a Eurodollar Loan from one Interest Period to the next Interest Period.

"Convert", "Conversion" and "Converted" shall refer to a conversion pursuant to Section 2.6 hereof of Alternate Base Rate Loans into Eurodollar Loans, or of Eurodollar Loans into Alternate Base Rate Loans, respectively.

"Credit Limit" shall have the meaning attributed to such term in Section 2.9 hereof.

"Default" shall mean an Event of Default or an event which with notice or lapse of time or both would become an Event of Default.

"Dollars" and "\$" shall mean lawful money of the United States of America.

"Environmental Laws" shall mean all federal, state and local laws, including statutes, regulations, ordinances, codes, rules and other governmental restrictions and requirements, relating to the discharge of air pollutants, water pollutants or process waste water or otherwise relating to the environment or hazardous substances or the treatment, processing, storage, disposal, release, transport or other handling thereof, including, but not limited to, the federal Solid Waste Disposal Act, the federal Clean Air Act, the federal Clean Water Act, the federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, the federal Toxic Substances Control Act, regulations of the Nuclear Regulatory Agency, and regulations of any state department of natural resources or state environmental protection agency, in each case as now or at any time hereafter in effect.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time.

"ERISA Affiliate" shall mean any corporation or trade or business which is a member of the same controlled group of corporations (within the meaning of Section 414(b) of the Code) as the Company or is under common control (within the meaning of Section 414(c) of the Code) with the Company.

"Eurodollar Loan" shall mean any Loan which bears interest at a rate determined with reference to the LIBOR Base Rate.

"Event of Default" shall have the meaning attributed to such term in Section 9 hereof.

"Fed Funds Rate" shall mean for each day the rate per annum (rounded upwards, if necessary, to the nearest 1/100th of 1%) equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York in the Composite Closing Quotation for U.S. Government Securities on such day, provided that (a) if the day for which such rate is to be determined is not a Business Day, the Fed Funds Rate for such day shall be such rate on such transaction for the next preceding Business Day as so published on the next succeeding Business Day, and (ii) if such rate is not so published for any date, the Fed Funds Rate for such day shall be the average rate charged to the Bank on such day on such transactions as determined by the Bank.

"GAAP" shall mean generally accepted accounting principles as in effect from time to time.

"Guarantee" shall mean (a) a guarantee, an endorsement, a contingent agreement to purchase or to furnish funds for the payment or maintenance of, or otherwise to be contingently liable with respect to, the Indebtedness, other obligations, net worth, working capital or earnings

of any Person, (b) a guarantee of the payment of dividends or other distributions upon the stock of any corporation, or (c) an agreement to purchase, sell or lease property or services primarily to assure a creditor against loss, including causing a bank to open a standby letter of credit for the benefit of another Person, but excluding endorsements for collection or deposit in the ordinary course of business. The terms "Guarantee" and "Guaranteed" shall have correlative meanings.

"Guarantor" shall have the meaning set forth in Section 6.

"Guaranty" shall have the meaning set forth in Section 6.

"Indebtedness" of any Person means, without duplication, (a) any obligation of such Person for borrowed money, including, without limitation, (i) any obligation of such Person evidenced by bonds, debentures, notes or similar debt instruments, and (ii) any obligation for borrowed money which is non-recourse to the credit of such Person but which is secured by a Lien on any asset of such Person, (b) any obligation of such Person on account of deposits or advances, (c) any obligation of such Person for the deferred purchase price of any property or services, except trade accounts payable, (d) any Capital Lease Obligation of such Person, (e) any Indebtedness of another Person secured by a Lien on any asset of such first Person, whether or not such Indebtedness is assumed by such first Person, (f) reimbursement obligations in connection with letters of credit or surety bonds, (g) Rate Hedging Obligations and (h) the current portion of mandatory redeemable preferred stock. For all purposes of this Agreement, the Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture in which such Person is a general partner or a joint venturer.

"Interest Period" shall mean, with respect to any Eurodollar Loan, each period commencing on the date such Eurodollar Loan is made or Converted from an Alternate Base Rate Loan or the last day of the next preceding Interest Period for such Eurodollar Loan and ending on the numerically corresponding day in the first, second, third or sixth calendar month thereafter, as the Company may select, except that each Interest Period which commences on the last Business Day of a calendar month (or on any day for which there is no numerically corresponding day in the appropriate subsequent calendar month) shall end on the last Business Day of the appropriate subsequent calendar month; provided, that (a) if any Interest Period for a Eurodollar Loan would otherwise end after the Termination Date, such Interest Period shall end on the Termination Date, and (b) each Interest Period which would otherwise end on a day which is not a Business Day shall end on the next succeeding Business Day or, if such next succeeding Business Day falls in the next succeeding calendar month, on the next preceding Business Day.

"Investment" means any investment, made in cash or by delivery of any kind of property or asset, in any Person, whether by acquisition of shares of stock or similar interest, Indebtedness or other obligation or security, or by loan, advance or capital contribution, or otherwise.

"LIBOR Base Rate" shall mean, with respect to any Eurodollar Loans to be made or converted from Alternate Base Rate Loans on any day for any Interest Period therefor, the applicable London interbank offered rate for deposits in U.S. Dollars appearing on Telerate Page 3750 as of 11:00 a.m. (London time) two Business Days prior to the first day of such Interest Period, and having a maturity approximately equal to such Interest Period. If no London interbank offered rate of such maturity then appears on Telerate Page 3750, then the LIBOR Base Rate shall be equal to the London interbank offered rate for deposits in U.S. Dollars

maturing immediately before or immediately after such maturity, whichever is higher, as determined by the Bank from Telerate Page 3750. If Telerate Page 3750 is not available, the applicable LIBOR Base Rate for the relevant Interest Period shall be the rate determined by the Bank to be the rate at which the Bank offers to place deposits in U.S. Dollars with first-class banks in the London interbank market at approximately 11:00 a.m. (London time) two Business Days prior to the first day of such Interest Period, in the amount of the Eurodollar Loan to be made or Converted and having a maturity approximately equal to such Interest Period.

"LIBOR Rate" shall mean, for any Eurodollar Loan for any Interest Period therefor, a rate per annum (rounded upwards, if necessary, to the nearest 1/100 of 1%) determined by the Bank to be equal to (a) the LIBOR Base Rate for such Loan for such Interest Period divided by (b) the remainder of 1 minus the Reserve Requirement for such Loan for such Interest Period.

"Liabilities" means the Company's obligations to the Bank under the terms of this Agreement, the Note, any Letter of Credit Application and any documents acquired to be delivered in connection herewith or therewith.

"Lien" shall mean, with respect to any property, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect thereof, including the interest of a vendor or lessor under any conditional sale, capital lease or other title retention agreement.

"Loan" shall mean any Eurodollar Loan or Alternate Base Rate Loan. A reference to a "type" of Loan refers to Eurodollar Loans as a group or Alternate Base Rate Loans as a group.

"Margin Stock" shall mean margin stock within the meaning of Regulations U and X.

"Multiemployer Plan" shall mean a Multiemployer plan defined as such in Section 3(37) of ERISA to which contributions have been made by the Company or any ERISA Affiliate as a "contributing sponsor" (within the meaning of Section 4001(a)(13) of ERISA) and which is covered by Title IV of ERISA.

"Net Income" means, for any period, the net earnings (or loss) after taxes of the Company and its Subsidiaries on a consolidated basis for such period determined in accordance with GAAP.

"Net Mark-to-Market Exposure" of the Company and its Subsidiaries means as of any date of determination, the excess (if any) of all unrealized losses over all unrealized profits of the Company or such Subsidiary arising from Rate Hedging Obligations. "Unrealized losses" means the fair market value of the cost of the Company or such Subsidiary of replacing such Rate Hedging Obligation as of the date of determination (assuming the Rate Hedging Obligation were to be terminated as of that date), and "unrealized profits" means the fair market value of the gain of the Company or such Subsidiary of replacing such Rate Hedging Obligation as of the date of determination (assuming such Rate Hedging Obligation were to be terminated as of that date).

"Note" shall mean a promissory note of the Company payable to the Bank in substantially the form of Exhibit A hereto.

"PBGC" shall mean the Pension Benefit Guaranty Corporation or any entity succeeding to any or all of its functions under ERISA.

"Pension Plan" shall mean a Plan which is a "defined benefit plan" within the meaning of Section 3(35) of ERISA.

"Person" shall mean any individual, corporation, limited liability company, voluntary association, partnership, trust, estate, unincorporated organization or government (or any agency, instrumentality or political subdivision thereof).

"Plan" shall mean any plan, program or arrangement which constitutes an "employee benefit plan" within the meaning of Section 3(3) of ERISA.

"Post-Default Rate" shall mean a rate per annum equal to 2% above the rate applicable to such Loan, but in no event less than a rate per annum equal to 2% above the Alternate Base Rate as in effect at the time of such default.

"Prime Rate" shall mean on any day the prime rate established by the Bank and in effect on such day. Each change in the Prime Rate shall be effective from the date of the announcement by the Bank of a change in its prime rate. The Prime Rate is not intended to constitute the lowest rate of interest charged by the Bank.

"Quarterly Dates" shall mean the last Business Day of each June, September, December and March, commencing on June 30, 1997.

"Rate Hedging Obligations" means any and all obligations of the Company or any Subsidiary whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor), under (a) any and all agreements, devices or arrangements designed to protect at least one of the parties thereto from the fluctuations of interest rates, exchange rates or forward rates applicable to such party's assets, liabilities or exchange transactions, including, but not limited to dollar-denominated or cross-currency interest rate exchange agreements, forward currency exchange agreements, interest rate cap or collar protection agreements, forward rate currency or interest rate options, puts and warrants, and (b) any and all cancellations, buy backs, reversals, terminations or assignments of any of the foregoing.

"Regulations D, U and X" shall mean, respectively, Regulations D, U and X of the Board of Governors of the Federal Reserve System (or any successor), as the same may be amended or supplemented from time to time.

"Regulatory Change" shall mean any change after the date of this Agreement in federal, state or foreign law or regulations (including, without limitation, Regulation D) or the adoption or making after such date of any interpretation, directive or request applying to the Bank (whether or not having the force of law) by any court or governmental or monetary authority.

"Reserve Requirement" shall mean, for any Interest Period for any Eurodollar Loan, the sum (expressed as a decimal) of (a) the average maximum rate at which reserves (including any marginal, supplemental or emergency reserves) are required to be maintained during such Interest Period under Regulation D by member banks of the Federal Reserve System against "Eurocurrency liabilities" and (b) any other reserves required to be maintained by such member banks by reason of any Regulatory Change against (i) any category of liabilities which includes deposits by reference to which the LIBOR Base Rate is to be determined or (ii) any category of extensions of credit or other assets which includes a Eurodollar Loan.

"Subsidiary" shall mean any Person of which or in which the Company and its other Subsidiaries own directly or indirectly more than 50% or more of (a) the combined voting power of all classes of stock having general voting power under ordinary circumstances to elect a majority of the board of directors of such Person, if it is a corporation, (b) the capital interest or profits interest of such Person, if it is a partnership, joint venture or similar entity, or (c) the beneficial interest of such Person, if it is a trust, association or other unincorporated organization.

"Substantial Stockholder" shall mean (a) any Person owning, beneficially or of record, directly or indirectly, either individually or together with all other Persons to whom such Person is related by blood, adoption or marriage, stock of the Company (of any class having ordinary voting power for the election of directors) aggregating 5% or more of such voting power or (b) any Person related by blood, adoption or marriage to any Person described or coming within the provisions of clause (a) of this definition.

"Termination Date" shall mean August __, 1998, s the same _____ for extended pursuant to Section 2.1(a).

"Voting Stock" shall mean, with respect to any corporation, any shares of stock of such corporation whose holders are entitled under ordinary circumstances to vote for the election of directors of such corporation (irrespective of whether at the time stock of any other class or classes shall have or might have voting power by reason of the happening of any contingency).

1.2. Accounting. Unless otherwise specified herein, all accounting terms used herein shall be interpreted, all determinations with respect to accounting matters hereunder shall be made, and all financial statements and certificates and reports as to financial matters required to be furnished to the Bank hereunder shall be prepared, in accordance with GAAP applied on a basis consistent with the audited consolidated financial statements of the Company and the Subsidiaries referred to in Section 7.2 hereof (except for changes concurred in by the Company's independent public accountants).

Section 2. The Loans and Letters of Credit.

2.1. The Loans. (a) The Bank agrees to make Loans to the Company during the period from and including the date hereof to but not including the Termination Date in an aggregate principal amount at any one time outstanding up to but not exceeding the amount of the Credit Limit. Subject to the terms of this Agreement, during such period the Company may borrow, repay and reborrow an amount up to the Credit Limit by means of Alternate Base Rate Loans or Eurodollar Loans and may Convert Loans of one type into Loans of the other type or

Continue Eurodollar Loans; provided, that no more than [#] () Eurodollar Loans may be outstanding from the Bank at any one time. Notwithstanding the foregoing, the Company and the Bank agree that the Termination Date shall be automatically extended for additional periods of 364 days each, unless on or before the 60th day before the current Termination Date, the Bank shall have notified the Company in writing of the intention of such party to terminate this Agreement as of the current Termination Date. However, in no event shall the Termination Date be extended beyond or the Note (including any additional Note(s)) executed pursuant to Section _____ be payable later than _____.

(b) The Loans to be made on any Business Day shall be in an aggregate amount not less than that specified in Section 4.3.

2.2. Notice of Borrowings. The Company shall give the Bank notice of each borrowing of Alternate Base Rate Loans or Eurodollar Loans hereunder as provided in Section 4.4 hereof. Not later than 1:00 p.m., Chicago time, on the date specified for each such borrowing hereunder, the Bank shall make available the amount of the Alternate Base Rate Loan or the Eurodollar Loan to the Company by not later than 2:00 p.m., Chicago time, by depositing the same, in immediately available funds, in an account of the Company maintained at the Bank.

2.3. Change in Commitment.

(a) The Company shall have the right to terminate or reduce the aggregate amount of the unused Commitment at any time or from time to time, provided that: (i) the Company shall give notice of each such termination or reduction as provided in Section 4.4 hereof; (ii) each partial reduction shall be in an aggregate amount at least equal to \$ _____ or integral multiples of \$ _____ in excess thereof; (iii) the aggregate amount of the Commitment shall not be reduced below the sum of (A) the aggregate _____ and principal amount of all Loans, plus (B) the aggregate undrawn face amount of all issued and unexpired Letters of Credit plus (C) the aggregate drawn and unreimbursed amount in respect of any Letters of Credit (whether expired or unexpired).

(b) The Bank's Commitment once terminated or reduced may not be reinstated.

2.4. Facility Fee. The Company shall pay to the Bank a fee on the unused amount of the Commitment, for the period from and including the date of this Agreement to but not including the earlier of the date when the Commitment is terminated or the Termination Date, at a rate of .15% per annum. The accrued fee in respect of the Commitment shall be payable in arrears on each Quarterly Date and on the earlier of the date the Commitment is terminated or the Termination Date.

2.5. Note. The Loans made by the Bank shall be evidenced by a promissory note of the Company in substantially the form of Exhibit A hereto. The date, amount, and type of each Loan made by the Bank, and each payment made on account of the principal thereof, shall be recorded by the Bank on its books and, prior to any transfer of the Note, endorsed by the Bank on the schedule attached to the Note or any continuation thereof; provided, however, that any

failure to so record shall not affect the Company's obligations under this Agreement or the Note. Upon request of the Lender, and as a condition to any extension of the Termination Date pursuant to Section 2.1(a), the Company shall execute a replacement Note(s) evidencing an extended Termination Date as provided in Section 7.1(a), whereupon the term "Note" shall refer to such replacement Note(s) as well as the original Note executed pursuant hereto, and the terms and conditions of the Agreement shall apply with equal force to such additional Note(s).

2.6. Voluntary Conversion or Continuation of Loans. Subject to Section 4.3 hereof, the Company shall have the right to Convert Loans of one type into Loans of another type or Continue Eurodollar Loans as such at any time, provided that: (a) the Company shall give the Bank written notice of each such Conversion or Continuation as provided in Section 4.4 hereof; and (b) Eurodollar Loans may be Continued or Converted only on the last day of an Interest Period for such Loans.

2.7. Letters of Credit. The Company may from time to time request that the Bank issue its documentary commercial or standby letters of credit (as the same may be amended, renewed, extended or modified from time to time, collectively called the "Letters of Credit" and individually called a "Letter of Credit") for the account of the Company in such face amounts as the Company may request up to the Credit Limited. Each Letter of Credit that the Bank issues shall be in form and substance satisfactory to the Bank and shall have a fixed expiration date occurring not more than one year for the date of issuance thereof (and in no event later than the Termination Date). Subject to the terms and conditions of this Agreement, Letters of Credit shall be issued by the Bank only upon its receipt at least five Business Days prior to the requested date of issuance of a written application (as the same may be amended, modified or supplemented from time to time, collectively called the "Letter of Credit Applications" and individually called a "Letter of Credit Application") for the issuance of a Letter of credit. Each Letter of Credit Application shall be in the Bank's form, shall specify (a) the face amount requested, (b) the tender, (c) the documents (if any) required to be presented for negotiation and (d) any other information which the Bank may require, and shall be duly executed on the Company's behalf by an Authorized Officer. In addition to the terms and conditions of this Agreement, each Letter of Credit shall be issued subject to the terms and conditions set forth in or applying in connection with the Letter of Credit Application for such Letter of Credit.

2.8. Letter of Credit Loans. If the Company shall ever fail to reimburse the Bank in full in accordance with the terms of the applicable Letter of Credit Application for all amounts paid or to be paid by the Bank or its agent or any party on the Bank's behalf on any item drawn or presented under any Letter of Credit, the Bank shall make, and the Borrower shall accept, an Alternate Base Rate Loan in the amount of the Borrower's reimbursement obligation. The proceeds of such Loan shall be paid directly to the Bank to reimburse it for all amounts paid or to be paid under such Letter of Credit.

2.9. Credit Limit. The aggregate undrawn face amount of all issued and unexpired Letters of Credit shall at no time exceed \$5,000,000. The sum of (a) the aggregate unpaid principal amount of all Loans, plus (b) the aggregate undrawn face amount of all issued and unexpired Letters of Credit, plus (c) the aggregate drawn and unreimbursed amount in respect of

any of the Letters of Credit (whether expired or unexpired) shall not at any time exceed an amount equal to the Commitment (such sum, the "Credit Limited").

Section 3. Payments of Principal and Interest.

3.1. Repayment of Loans. The Company unconditionally promises to pay to the Bank the principal of the Loans on the Termination Date, as extended pursuant to Section 2.1(a).

3.2. Prepayments of Loans.

(a) The Company shall have no right to prepay any principal amount of any Alternate Base Rate Loans or Eurodollar Loans other than as provided in subsection (b) and (e) below.

(b) The Company may, upon the giving of such notice as is specified in Section 4.4 hereof, and if such notice is given the Company shall, prepay the outstanding principal amounts of the Alternate Base Rate Loans or Eurodollar Loans in whole or in part, together with accrued interest to the date of such prepayment on the principal amount prepaid; provided, however, (i) partial prepayment shall be in an aggregate principal amount not less than that specified in Section 4.3 and (ii) Eurodollar Loans prepaid on a day other than the last day of an Interest Period therefor shall be subject to Section 5.5.

(c) In the event that, as a result of a decrease in the amount of the Commitment, the sum of (i) the aggregate unpaid principal amount of all Loans, plus (ii) the aggregate undrawn face amount of all issued and unexpired Letters of Credit, plus (iii) the aggregate unreimbursed amount in respect of any Letters of Credit (whether expired or unexpired) shall at any time exceed the Commitment, the Company shall, within 30 calendar days of the occurrence of such event, take one or more of the following actions to eliminate such excess: (i) prepay the unpaid principal of the Loans, (ii) ~~pay~~ to the Bank the unreimbursed amount in respect of any amount drawn under any Letter of Credit (whether expired or unexpired), or (iii) provide the Bank with cash collateral to secure the Borrower's reimbursement obligation with respect to the undrawn face amount under any then issued and unexpired Letter of Credit. Prepayments pursuant to this Section 3.2(c) shall be applied first to outstanding Alternate Base Rate Loans, if any, and then to outstanding Eurodollar Loans, if any. As among several Eurodollar Loans outstanding at the same time, application of any such prepayment shall be in such order as the Company shall determine. Any prepayment of a Eurodollar Loan shall be subject to the provisions of Section 5.5.

3.3. Interest and Fees.

(a) The Company promises to pay to the Bank interest on the unpaid principal amount of each Loan made by the Bank for the period from and including the date of such Loan to but excluding the date such Loan shall be paid in full, (i) while such Loan is an Alternate Base Rate Loan, at a rate per annum equal to the Alternate Base Rate (as in effect from time to time); and (ii) while such Loan is a Eurodollar Loan, for each Interest Period relating thereto, at a rate per annum equal to the LIBOR Rate for such Loan for such Interest Period plus .35% per annum.

(b) Notwithstanding the foregoing, the Company will pay to the Bank interest at the Post-Default Rate on any principal of any Loan made by the Bank, and (to the fullest extent permitted by law) on any interest or other amount payable by the Company hereunder or under the Note which shall not be paid in full when due (whether at stated maturity, by acceleration or otherwise), for each day during the period from and including the due date thereof to but excluding the date the same is paid in full.

(c) Accrued interest shall be payable (i) in the case of an Alternate Base Rate Loan, quarterly on the Quarterly Dates, (ii) in the case of a Eurodollar Loan, on the last day of each Interest Period thereof and, if such Interest Period is in excess of three months, the day three months after the commencement of such Interest Period and thereafter the day three months after each preceding payment date and (iii) in the case of any Alternate Base Rate Loan or Eurodollar Loan, upon the payment or prepayment thereof or the Conversion of such Loan to a Loan of the other type (but only on the principal amount so paid, prepaid or Converted), except that interest payable at the Post-Default Rate shall be payable from time to time on demand and interest on any Eurodollar Loan that is Converted into an Alternate Base Rate Loan pursuant to Section 5.4 hereof shall be payable on the date of Conversion (but only to the extent so Converted).

(d) Promptly after the determination of any interest rate provided for herein or any change therein, the Bank shall give notice thereof to the Company.

(e) In consideration of the Bank's issuance of a Letter of Credit, the Company agrees to pay the Bank:

(i) a fee equal to \$200 payable on the issuance of each Letter of Credit;

(ii) a fee equal to \$100 payable upon the date of any amendment or renewal of any Letter of Credit outstanding;

(iii) Commission ("Letter of Credit Fee") for the period commencing on the issuance date of each letter of Credit and ending on the expiry date of such Letter of Credit, equal to .35% of the face amount of the Letter of Credit. The accrued Letter of Credit Fee in respect of a Letter of Credit shall be payable in arrears on each Quarterly Date and on the earliest of the expiry date of the Letter of Credit, the date the Commitment is terminated or the Termination Date.

Section 4. Payments; Computations; Etc..

4.1. Payments.

(a) Except to the extent otherwise provided herein, all payments of principal, interest, fees and other amounts to be made by the Company under this Agreement, the Note or Letter of Credit Application shall be made in Dollars, in immediately available funds, without deduction, set-off or counterclaim, to the Bank at such account as it may specify, not later than 1:00 p.m., Chicago time, on the date on which such payment shall become due. The failure of the Company to make any such payment by such time shall not constitute a Default hereunder,

provided that such payment is received by the Bank in immediately available funds by 4:00 p.m., Chicago time, on such due date, but any such payment after 1:00 p.m., Chicago time, on such due date shall be deemed to have been made on the next Business Day for the purpose of calculating interest on amounts outstanding on the Loans.

(b) The Bank may (but shall not be obligated to) debit the amount of any payment which is required to be made by the Company under this Agreement, the Note or Letter of Credit Application to any ordinary deposit account of the Company with the Bank on or after the due date of such payment.

(c) Each payment received by the Bank under this Agreement, the Note or Letter of Credit Application shall be paid in immediately available funds at the Bank's main office, 50 South LaSalle Street, Chicago, Illinois 60675.

4.2. Computations. Interest on Eurodollar Loans, Alternate Base Rate Loans and fees shall be computed on the basis of a year of 360 days for the actual number of days elapsed (including the first day but excluding the last day) occurring in the period for which such interest or fees are payable. Each determination by the Bank of an interest rate hereunder shall be conclusive and binding for all purposes, absent manifest error.

4.3. Minimum Amounts. Except for Conversions or prepayments made pursuant to Section 5.4 hereof, each borrowing, Conversion and prepayment (other than prepayment in full) of principal of Loans shall be in an amount at least equal to \$1,000,000. Anything in this Agreement to the contrary notwithstanding, the aggregate principal amount of Eurodollar Loans having the same Interest Period shall be at least equal to \$1,000,000 or integral multiples of \$250,000 in excess thereof and, if any Eurodollar Loans would otherwise be in a lesser principal amount for any period, such Loans shall be Alternate Base Rate Loans during such period.

4.4. Certain Notices.

(a) Notices by the Company to the Bank of termination or reductions of the Commitment, of borrowings, Conversions, Continuations and prepayments of Loans, of the type of Loans and of the duration of Interest Periods shall be irrevocable and shall be effective only if received by the Bank not later than 10:00 a.m., Chicago time, on the number of Business Days prior to the date of the relevant termination, reduction, borrowing, Conversion, Continuation or prepayment or the first day of such Interest Period specified below:

<u>Notice</u>	<u>Number of Business Days Prior</u>
Termination or reduction of the Commitment	5
Borrowing or repayment of, or Conversions into, Alternate Base Rate Loans	0

Borrowing or repayment of, Conversions
into, Continuations as, or duration of Interest
Period for, Eurodollar Loans

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(b) Each such notice of termination or reduction shall specify the amount of the Commitment to be terminated or reduced. Each such notice of borrowing (which shall be in substantially the form of Exhibit B hereto), Conversion or Continuation (which shall be in substantially the form of Exhibit C hereto), or prepayment shall specify the Loans to be borrowed, Converted, Continued or prepaid and the amount (subject to Section 4.3 hereof) and type of the Loans to be borrowed, Converted, Continued or prepaid and the date of borrowing, Conversion, Continuation or prepayment (which shall be a Business Day). Each such notice of the duration of an Interest Period shall specify the Loans to which such Interest Period is to relate.

(c) In the event that the Company fails to select the type of Loan, or the duration of any Interest Period for any Eurodollar Loan within the time period and otherwise as provided in this Section 4.4, such Loan (if outstanding as a Eurodollar Loan) will be automatically Converted into an Alternate Base Rate Loan on the last day of the then current Interest Period for such Loan or (if outstanding as an Alternate Base Rate Loan) will remain as such type of Loan, or (if not then outstanding) will be made as, an Alternate Base Rate Loan.

4.5. Set-off.

(a) The Company agrees that in addition to any right of set-off, banker's lien or counterclaim the Bank may otherwise have, the Bank shall be entitled to offset balances and other claims of the Company at its offices, in Dollars or in any other currency, against any amount payable to the Bank hereunder, the Note or any Letter of Credit Application which is not paid when due (regardless of whether such balances and other claims are then due).

(b) Nothing contained herein shall require the Bank to exercise any such right or shall affect the right of the Bank to exercise, and retain the benefits of exercising, any such right with respect to any other Indebtedness or obligation of the Company.

Section 5. Yield, Capital Maintenance and Tax Provisions.

5.1. Additional Costs.

(a) The Company shall pay directly to the Bank from time to time such amounts as the Bank may determine to be necessary to compensate it for any costs which the Bank determines are attributable to its making or maintaining of any Eurodollar Loans or its obligation to make any Eurodollar Loans hereunder, or any reduction in any amount receivable by the Bank hereunder in respect of any of such Loans or such obligation (such increases in costs and reductions in amounts receivable being herein called "Additional Costs"), resulting from any Regulatory Change which:

(i) changes the basis of taxation of any amounts payable to the Bank under this Agreement or the Note in respect of any of such Loans (other than

taxes on the overall net income of the Bank imposed by the jurisdiction in which the Bank has its principal office); or

(ii) imposes or modifies any reserve, special deposit or similar requirements (other than the Reserve Requirement utilized in the determination of the LIBOR Rate for such Loan) relating to any extensions of credit or other assets of, or any deposits with or other liabilities of, the Bank or any commitment of the Bank; or

(iii) imposes any other condition affecting this Agreement, the Note (or any of such extensions of credit or liabilities) or Commitment.

(b) Without limiting the effect of the provisions of Section 5.1(a) hereof, the obligation of the Bank to make or Continue, or to Convert Alternate Base Rate Loans into Eurodollar Loans hereunder shall be suspended (upon notice to the Company until any Regulatory Change ceases to be in effect in which case the provisions of Section 5.4 hereof shall be applicable), in the event that, by reason of such Regulatory Change, the Bank either (i) incurs Additional Costs based on or measured by the excess above a specified level of the amount of a category of deposits or other liabilities of the Bank which includes deposits by reference to which the interest rate on Eurodollar Loans is determined or (ii) becomes subject to restrictions on the amount of such a category of liabilities or assets which it may hold.

(c) Without limiting the effect of the foregoing provisions of this Section 5.1 (but without duplication), if the Bank determines that compliance with any change in any law or regulation or any guideline or request from any central bank or other governmental authority (whether or not having the force of law) affects or would affect the amount of capital required or expected to be maintained by the Bank or any Person controlling the Bank and that the amount of such capital is increased by or based upon the existence of the Commitment to lend hereunder and other commitments of this type or any Loan, then, upon demand by the Bank, the Company shall immediately pay to the Bank, from time to time as specified by the Bank, additional amounts sufficient to compensate the Bank or such Person in the light of such circumstances, to the extent that the Bank determines such increase in capital to be allocable to the existence of the Commitment to lend or Loans hereunder.

(d) The Bank will notify the Company of any event occurring after the date of this Agreement that will entitle the Bank to compensation under subsections (a) or (c) of this Section 5.1 as promptly as practicable. The Bank will furnish to the Company a certificate setting forth the basis and amount of each request by the Bank for compensation under subsection (a) or (c) of this Section 5.1, which certificate shall be conclusive and binding on the Company in the absence of manifest error. Determinations and allocations by the Bank for purposes of this Section 5.1 of the effect of any Regulatory Change, law, regulation, guideline or request of any central bank or other monetary authority shall be conclusive and binding on the Company absent manifest error.

5.2. Limitation on Types of Loans. Anything herein to the contrary notwithstanding, if, on or prior to the determination of any LIBOR Base Rate for any Interest Period:

(a) the Bank determines (which determination shall be conclusive) that quotations of interest rates for the relevant deposits referred to in the definition of "LIBOR Base Rate" are not being provided in the relevant amounts or for the relevant maturities for purposes of determining rates of interest for Eurodollar Loans as provided herein; or

(b) the Bank determines (which determination shall be conclusive) that the relevant rates of interest referred to in the definition of "LIBOR Base Rate" upon the basis of which the rate of interest for Eurodollar Loans for such Interest Period is to be determined are not likely adequate to cover the cost to the Bank of making or maintaining such type of Loans for such Interest Period; then the Bank shall give the Company prompt notice thereof, and so long as such condition remains in effect, the Bank shall be under no obligation to make or Continue Eurodollar Loans or to Convert Alternate Base Rate Loans into Eurodollar Loans and the Company shall, on the last day(s) of the then current Interest Period(s) for the outstanding Eurodollar Loans, either prepay such Loans or Convert such Loans into Alternate Base Rate Loans in accordance with Section 2.6 hereof.

5.3. Illegality. Notwithstanding any other provision of this Agreement, in the event that it becomes unlawful for the Bank to honor its obligation to make or maintain Eurodollar Loans hereunder, then the Bank shall promptly notify the Company thereof and the Bank's obligation to make or Continue, or to Convert Alternate Base Rate Loans into Eurodollar Loans shall be suspended until such time as the Bank may again make and maintain Eurodollar Loans (in which case the provisions of Section 5.4 hereof shall be applicable).

5.4. Treatment of Affected Loans.

(a) If the obligation of the Bank to make or Continue, or to Convert Alternate Base Rate Loans into Eurodollar Loans is suspended pursuant to Section 5.1, 5.2 or 5.3 hereof, the Bank's Eurodollar Loans shall be automatically Converted into Alternate Base Rate Loans on the last day(s) of the then current Interest Period(s) for the Eurodollar Loans (or, in the case of a Conversion required by Section 5.3 hereof, on such earlier date as the Bank may specify to the Company) and, unless and until the Bank gives notice as provided below that the circumstances specified in Section 5.1, 5.2 or 5.3 hereof which gave rise to such Conversion no longer exist:

(i) to the extent that the Bank's Eurodollar Loans have been so Converted, all payments and prepayments of principal which would otherwise be applied to the Bank's Eurodollar Loans shall be applied instead to its Alternate Base Rate Loans; and

(ii) all Loans which would otherwise be made or Continued by the Bank as Eurodollar Loans shall be made or Continued instead as Alternate Base Rate Loans and all Loans of the Bank which would otherwise be Converted into Eurodollar Loans shall remain as Alternate Base Rate Loans.

(b) If the Bank gives notice to the Company that the circumstances specified in Section 5.1, 5.2 or 5.3 hereof which gave rise to the Conversion of the Bank's Eurodollar

Loans pursuant to this Section 5.4 no longer exist (which the Bank agrees to do promptly upon such circumstances ceasing to exist), the Company may convert such Alternate Base Rate Loans back to Eurodollar Loans in accordance with the terms of this Agreement.

5.5. Compensation.

(a) The Company shall pay to the Bank, upon the request of the Bank, such amount or amounts as shall be sufficient to compensate it for any loss, cost or expense (other than the loss of the Bank's margin or spread) which the Bank determines are attributable to (i) any payment, prepayment or Conversion of a Eurodollar Loan for any reason (including, without limitation, the acceleration of the Loans pursuant to Section 9 hereof or a prepayment pursuant to Section 3.2 hereof) on a date other than the last day of the Interest Period for such Loan; or (ii) any failure by the Company for any reason (including, without limitation, the failure of any of the conditions precedent specified in Section 6 hereof to be satisfied) to borrow a Eurodollar Loan from the Bank on the date for such borrowing specified in the relevant notice of borrowing given pursuant to Section 2.2 hereof but excluding any such failure that results from the failure or refusal of the Bank to make such Loan if all of the conditions precedent specified in Section 6 shall have been satisfied in respect thereof.

(b) Without limiting the effect of Section 5.5(a), such compensation shall include an amount equal to the excess, if any, of (i) the amount of interest which otherwise would have accrued on the principal amount so paid, prepaid or Converted or not borrowed (other than its margin or spread) for the period from the date of such payment, prepayment, Conversion or failure to borrow to the last day of the then current Interest Period for such Loan (or, in the case of a failure to borrow, the Interest Period for such Loan which would have commenced on the date specified for such borrowing) at the applicable rate of interest for such Loan over (ii) the interest component of the amount the Bank would have bid in the London interbank market for Dollar deposits of leading banks in amounts comparable to such principal amount and with maturities comparable to such period (as reasonably determined by the Bank).

5.6. Responsibility of the Bank. Upon the occurrence of any change in circumstances pursuant to Section 5.1, 5.2 or 5.3 and subject to the provisions of such Sections, the Bank shall use its reasonable efforts to conduct a review of alternative reasonable courses of action which may mitigate or eliminate the increased cost to the Bank of making, funding or maintaining any Loan made by it and its obligations in respect of its Commitment hereunder and shall engage in any such alternative course of action which is considered reasonable under the circumstances as they shall exist at such time; provided that such alternative course of action will not result in any increased costs or reduction of the amount of any payment receivable hereunder by the Bank, cause the Bank, in its good faith judgment, to violate one or more of its policies in order to avoid such increased cost or reduction or otherwise materially adversely affect such Loan or the Bank.

5.7. Taxes.

(a) All payments by the Company hereunder or under the Note shall be made free and clear of and without deduction or withholding for or on account of all present or future taxes, deductions or withholdings, excluding, in the case of the Bank, taxes imposed on its

income, and franchise taxes imposed on it, by the jurisdiction under the laws of which the Bank is organized or any political subdivision thereof (all such non-excluded taxes, deductions and withholdings being hereinafter referred to as "Taxes"). If the Company shall be required by law to deduct any Taxes from any amount payable hereunder or under the Note, (i) the amount payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional amounts payable under this Section 5.7) the Bank receives an amount equal to the amount it would have received had no such deductions been made and (ii) the Company shall pay the full amount deducted to the relevant authority in accordance with applicable law.

(b) In addition, the Company agrees to pay any present or future stamp, documentary, excise or property taxes, charges or similar levies which arise from any payment made hereunder or under the Note or from the execution, delivery or registration of, or otherwise with respect to, this Agreement or the Note (hereinafter referred to as "Other Taxes").

(c) The Company will indemnify the Bank for the full amount of Taxes or Other Taxes (including, without limitation, any Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Section 5.7) paid by the Bank. This indemnification shall be made within 30 days from the date the Bank makes written demand therefor.

(d) Within 30 days after the date of any payment of Taxes, the Company will furnish to the Bank the original or a certified copy of a receipt evidencing payment thereof.

(e) Without prejudice to the survival of any other agreement of the Company hereunder, the agreements and obligations of the Company contained in this Section 5.7 shall survive the payment in full of principal and interest hereunder and under the Note.

Section 6. Guaranty. Payment of the Liabilities shall be unconditionally and severally guaranteed in the amount of 50% of the amount of the Commitment by each of NICOR, Inc., a Delaware corporation ("NICOR") and NGC Corporation ("NGC" together with NICOR individually "Guarantee" and collectively, the "Guarantors") pursuant to a guaranty, substantially in the form of Exhibit ____, with appropriate insertion (as the same may be amended from time to time, herein individually called "Guaranty" and collectively, the "Guaranties").

Section 7. Conditions Precedent.

7.1. Initial Loan and Issuance of Letter of Credit. The obligation of the Bank to make its initial Loan hereunder or issue any Letter of Credit is subject to the receipt by the Bank of the following documents, each of which shall be satisfactory to the Bank in form and substance:

(a) Company Action. Certified copies of the articles of organization and operating agreement of the Company and all limited liability company action taken by the Company approving this Agreement and the Note authorizing the application for Letters of Credit and the borrowing by the Company hereunder (including a certificate of member/manager of the Company setting forth the resolutions of the members of the Company adopted in respect of the transactions contemplated hereby).

(b) Company Incumbency. A certificate of a member/manager of the Company naming and setting forth the specimen signature of each of the members/managers, officers and Authorized Officers of the Company (i) who is authorized to sign on its behalf this Agreement, the Note or any Letter of Credit Application and (ii) who will, until replaced by another officer or officers duly authorized for that purpose, act as its representative for the purposes of signing documents and giving notices and other communications in connection with this Agreement, any Letter of Credit Application and the transactions contemplated hereby.

(c) Guarantor Corporate Action. Certified copies of all corporate action taken by each Guarantor approving the Guaranty (including a certificate of the secretary or assistant secretary of such Guarantor setting forth the resolutions of the Board of Directors of such Guarantor adopted in respect of the transactions contemplated hereby.

(d) Guaranty Incumbency. A certificate of the or Assistant Secretary of each Guarantor naming and setting forth the specimen signature of each of the officers of such Guarantor (i) who is authorized to sign on its behalf of the Guaranty and (ii) who will, until replaced by another officer or officers duly authorized for such purpose, as its representative for all purposes in connection with the Guaranty.

(e) Officer's Certificate. A certificate of the chief financial officer of the Company to the effect set forth in the first sentence of Section 6.2 hereof.

(f) Opinion of Counsel to the Company. An opinion of [Name of Firm], [special or general] counsel to the Company, substantially in the form of Exhibit D hereto.

(g) Note. The Note, duly completed and executed.

(h) Opinion of counsel to each Guarantor. An opinion of counsel to each Guarantor, substantially in the form of Exhibit hereto.

(i) Guaranties. The duly executed Guaranty of each Guarantor.

(j) Other Documents. Such other documents as the Bank may reasonably request.

7.2. Initial and Subsequent Loans and Letters of Credit. The obligations of the Bank to make any Loan (including the initial Loan but other than Loans which would not increase the aggregate Dollar amount of Loans outstanding) or issue any Letter of Credit are subject to the further conditions precedent that, both immediately prior to such Loan or issuance of such Letter of Credit and also after giving effect thereto: (a) no Default shall have occurred and be continuing; (b) the representations and warranties made by the Company in Section 7 hereof shall be true and correct on and as of the date of the making of such Loans or issuance of such Letter of Credit with the same force and effect as if made on and as of such date except to the extent such representations and warranties state that they relate solely to a specified date; and (c) the Bank shall have received the Letter of Credit Application pursuant to Section 2.7. Each

notice of borrowing or request for a Letter of Credit by the Company hereunder shall constitute a certification by the Company to the effect set forth in the preceding sentence.

Section 8. Representations and Warranties. The Company represents and warrants to the Bank that:

8.1. Existence and Related Matters. The Company and its Subsidiaries: (a) in the case of the company, is a limited liability company duly organized and validly existing under the laws of the state of _____; (b) in the case of corporate Subsidiaries, are corporations duly organized and validly existing under the laws of the jurisdiction of its respective incorporation; (c) in the case of non-corporate Subsidiaries, are entities duly organized, validly existing and in good standing under the laws of the jurisdiction of their respective organization; (d) has all requisite power, and has all material governmental licenses, authorizations, consents and approvals, necessary to own its assets and carry on its business as now being or as proposed to be conducted; and (e) is qualified to do business in each jurisdiction where, because of the value of its respective activities or properties, such qualification is required.

8.2. Financial Condition.

(a) The consolidated balance sheet of the Company and its Subsidiaries as at _____, 19__ and the related consolidated statements of income, member's equity and cash flows of the Company and its Subsidiaries for the fiscal year ended on said date, with the opinion thereon (in the case of said consolidated balance sheet and statements) of [_____] , heretofore furnished to the Bank, have been prepared in conformity with GAAP applied on basis consistent with the preceding fiscal year and fairly present in all material respects the consolidated financial position of the Company and its Subsidiaries as at said date, and the consolidated results of their operations for the fiscal year ended on said date in accordance with GAAP.

(b) Neither the Company nor any of its Subsidiaries had on said date any material contingent liabilities, liabilities for taxes, unusual forward or long-term commitments, or unrealized or anticipated losses from any unfavorable commitments, except as referred to or reflected or provided for in said balance sheets or the notes thereto as at said dates.

(c) Since _____, 1997, there has been no material adverse change in the consolidated financial condition, operations, business or prospects taken as a whole of the Company and its Subsidiaries from that set forth in said financial statements as at said date.

8.3. Litigation. There are no legal or arbitral proceedings or any proceedings by or before any governmental or regulatory authority or agency, now pending or (to the knowledge of the Company) threatened against the Company or any of its Subsidiaries which would have a material adverse effect on (a) the consolidated financial condition, operations, business or prospects taken as a whole of the Company and its Subsidiaries or (b) the ability of the Company to perform its respective obligations hereunder, under the Note or any Letter of Credit Application.

8.4. No Breach. The execution, delivery and performance of this Agreement, the Note or any Letter of Credit Application will not conflict with or result in a breach of or require any consent under, the articles of the Company, or any applicable law or regulation, or any order, injunction or decree of any court or governmental authority or agency, or any agreement or instrument to which the Company or any of its Subsidiaries is a party or by which any of them is bound.

8.5. Power and Action; Binding Effect. The Company has all necessary power and authority to execute, deliver and perform its obligations under this Agreement, the Note and any Letter of Credit Application; the execution, delivery and performance by the Company of this Agreement, the Note, and any Letter of Credit Application, have been duly authorized by all necessary action on its part; and this Agreement has been duly and validly executed and delivered by the Company, constitutes, and each of the Note and Letter of Credit Application when executed and delivered for value will constitute, legal, valid and binding obligations, enforceable in accordance with its terms.

8.6. Approvals. No authorizations, approvals or consents of, and no filings or registrations with, any governmental or regulatory authority or agency are necessary for the execution, delivery or performance by the Company of this Agreement, the Note or any Letter of Credit Application, or for the validity or enforceability thereof.

8.7. Margin Stock. Neither the Company nor any of its Subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of buying or carrying Margin Stock and no part of the proceeds of any Loan hereunder will be used to buy or carry any Margin Stock.

8.8. ERISA.

(a) The Company and the ERISA Affiliates and the plan administrator of each Plan have fulfilled in all material respects their respective obligations under ERISA and the Code with respect to each Plan and each Plan complies in all material respects with all applicable statutes and governmental rules and regulations.

(b) With respect to each Plan, there has been no (i) "reportable event" within the meaning of Section 4043 of ERISA and the regulations thereunder which is not subject to the provision for waiver of the 30-day notice requirement to the PBGC; (ii) failure to make or properly accrue any contribution which is due to any Plan; (iii) action under Section 4041 of ERISA to terminate any Pension Plan; (iv) withdrawal from any Pension Plan with two or more contributing sponsors or the termination of any such Pension Plan resulting in liability pursuant to Section 4063 or 4064 of ERISA; (v) institution by the PBGC of proceedings to terminate any Pension Plan, or the occurrence of any event or condition which might constitute grounds under ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan; (vi) the imposition of liability pursuant to Section 4062(e), 4069 or 4212 of ERISA; (vii) complete or partial withdrawal (within the meaning of Sections 4203 and 4205 of ERISA) from any Pension Plan which is a Multiemployer Plan that it is in reorganization or insolvency pursuant to Sections 4241 or 4245 of ERISA, or that it intends to terminate or has terminated

under Sections 4041A or 4042 of ERISA; (viii) prohibited transaction described in Section 406 of ERISA or 4975 of the Code which could give rise to the imposition of any material fines, penalties, taxes or related charges; (xi) assertion of a material claim (other than routine claims for benefits) against any Plan (other than a Multiemployer Plan) which could reasonably be expected to be successful; (x) receipt from the Internal Revenue Service of notice of the failure of any Plan to qualify under Section 401(a) of the Code, or the failure of any trust forming part of any Plan to qualify for exemption from taxation under Section 501(a) of the Code, if applicable; or (xi) imposition of a lien pursuant to Section 401(a)(29) of the Code or 412(n) of ERISA.

8.9. Taxes. United States federal income tax returns of the Company and the Subsidiaries have been examined and closed through the fiscal year of the Company ended _____, 19___. The Company and its Subsidiaries have filed all United States federal income tax returns and all other tax returns which are required to be filed by them and have paid all taxes due pursuant to such returns or pursuant to any assessment received by the Company or any of its Subsidiaries. The charges, accruals and reserves on the books of the Company and its Subsidiaries in respect of taxes and other governmental charges are, in the opinion of the Company, adequate in all material respects.

8.10. Investment Company Act; Public Utility Holding Company Act. The Company is not an "investment company", or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended. The Company is not a "holding company" or a "subsidiary holding company" of a "holding company" or an "affiliate" of a "holding company" within the meaning of the Public Utility Holding Company Act of 1935, as amended.

8.11. Credit Agreements. As of the date hereof, Schedule 2 hereto is a complete and correct list of each credit, loan or purchase agreement, Guarantee or other arrangement providing for any Indebtedness or any extension of credit to, or Guarantee by, the Company or any of its Subsidiaries, and the aggregate principal or face amount outstanding or which may become outstanding under each such arrangement is correctly described in said Schedule 2. The agreements, if any, identified on Schedule 2 under the caption "Refinanced Indebtedness Agreements" will be terminated upon repayment of the Indebtedness thereunder with the proceeds of the Loans.

8.12. Environmental Laws. The Company and each of its Subsidiaries have obtained all permits, licenses and other authorizations which are required under all Environmental Laws and are in compliance in all material respects with any applicable Environmental Laws.

8.13. Subsidiaries, Etc. Set forth in Schedule 3 hereto is a complete and correct list of all Subsidiaries of the Company and the respective jurisdiction of organization of each such Subsidiary. The Company owns, free and clear of all Liens, all outstanding shares or other ownership interests of such Subsidiaries.

8.14. Liens. As of the date hereof, no property of the Company or any Subsidiary is subject to any Lien, except Liens permitted pursuant to Section 9.6 hereof.

8.15. Purpose. The proceeds of the Loans will be used by the Company to finance working capital requirements.

8.16. Compliance. The Company and its Subsidiaries are in material compliance with all statutes and governmental rules and regulations applicable to them.

Section 9. Covenants. The Company agrees that, so long as the Commitment is in effect and until payment in full of all Loans and all other amounts payable by the Company hereunder:

9.1. Financial Statements and Other Information. The Company shall deliver to the Bank:

(a) within 60 days after the end of each of the first three fiscal quarterly periods of each fiscal year of the Company, consolidated statements of income, member's equity and cash flows of the Company and its Subsidiaries for such period and for the period from the beginning of the respective fiscal year to the end of such period, and the related consolidated balance sheets as at the end of such period, setting forth in respect of such statements in comparative form the corresponding consolidated figures for the corresponding period in the preceding fiscal year and setting forth in respect of such balance sheets the corresponding consolidated figures for the end of the preceding fiscal year, accompanied by a certificate of a manager of the Company which shall state that said financial statements fairly present in all material respects the consolidated financial position and results of operations of the Company and its Subsidiaries in accordance with GAAP for such period;

(b) within 120 days after the end of each fiscal year of the Company, consolidated statements of income, stockholders' equity and cash flows of the Company and its Subsidiaries for such year and the related consolidated balance sheets as at the end of such year, setting forth in each case in comparative form the corresponding consolidated figures for the preceding fiscal year, and accompanied (i) by an unqualified opinion thereon of independent certified public accountants of recognized national standing which shall state that said consolidated financial statements fairly present in all material respects the consolidated financial position and results of operations of the Company and its Subsidiaries as at the end of, and for, such fiscal year, and (ii) by a certificate of such accountants stating that, in making the examination necessary for their opinion, they obtained no knowledge, except as specifically stated, of any Default;

(c) promptly upon their becoming available, copies of all registration statements and reports which the Company shall have filed with the Securities and Exchange Commission;

(d) promptly upon the mailing thereof to the members of the Company generally, copies of all financial statements, reports and proxy statements so mailed;

(e) promptly after the Company knows that any Default has occurred, a notice of such Default describing the same in reasonable detail and, together with such notice or as soon

thereafter as possible, a description of the action that the Company has taken and proposes to take with respect thereto;

(f) promptly upon receipt thereof, a copy of any notice, demand, request for information, citation, summons, complaint, order or other communication from any governmental or other entity or other Person with respect to any alleged failure by the Company or a Subsidiary to comply in any respect with any Environmental Laws or any assertion or allegation of any Lien or liability thereunder;

(g) the occurrence of a material adverse change in the business, operations or financial condition of the Company and the Subsidiaries taken as a whole; and

(h) from time to time such other information regarding the business, affairs or financial condition of the Company or any of its Subsidiaries as the Bank may reasonably request.

The Company will furnish to the Bank, at the time it furnishes each set of financial statements pursuant to subsection (a) and (b) above, a certificate of a manager of the Company (i) to the effect that no Default has occurred and is continuing (or, if any Default has occurred and is continuing, describing the same in reasonable detail and describing the action that the Company has taken and proposes to take with respect thereto) and (ii) setting forth in reasonable detail the computations necessary to determine whether the Company is in compliance with the financial covenants in this Section 9 as of the end of the respective fiscal quarter or fiscal year, as applicable.

9.2. Litigation. The Company will promptly give the Bank notice of all material legal or arbitral proceedings, and of all proceedings by or before any governmental or regulatory authority or agency, and any material development in respect of such legal or other proceeding, affecting the Company or any of its Subsidiaries, except proceedings which would not have a material adverse effect on the consolidated financial condition, operations, business or prospects of the Company and its Subsidiaries taken as a whole.

9.3. Existence, Etc. The Company will, and will cause each of its Subsidiaries to: (a) preserve and maintain its limited liability company or other existence and all of its material rights, privileges, franchises, patents, trademarks, copyrights and all other intellectual property rights used or useful in the business (provided that nothing in this Section 9.3 shall prohibit any transaction permitted under Section 8.5 hereof); (b) comply in all material respects with the requirements of all applicable laws, rules, regulations and orders of governmental or regulatory authorities, including all Environmental Laws; (c) pay and discharge all taxes, assessments and governmental charges or levies imposed on it or on its income or profits or on any of its property prior to the date on which penalties attach thereto, except for any such tax, assessment, charge or levy which is immaterial in amount or the payment of which is being contested in good faith and by proper proceedings and against which adequate reserves are being maintained; (d) maintain all of its properties used or useful in its business in good working order and condition, ordinary wear and tear excepted; (e) maintain complete and accurate books and records in which full and correct entries in conformity with GAAP shall be made of all dealings and transactions in

relation to its respective business and activities; and (f) upon request, permit representatives of the Bank, during normal business hours, to visit its premises, to examine, copy and make extracts from its books and records, to inspect its properties, and to discuss its business and affairs with its senior officers.

9.4. Insurance. The Company will, and will cause each of its Subsidiaries to, keep all of its property adequately insured by financially sound and reputable insurers in accordance with prudent business practices and will carry such other insurance as is customarily maintained in accordance with prudent business practices.

9.5. Business Combinations and Asset Dispositions The Company will not, nor will it permit any of its Subsidiaries to, merge or consolidate with any other Person or sell, lease or transfer or otherwise dispose of all of the consolidated assets of the Company and its Subsidiaries, to any Person, except that:

(a) any Subsidiary may merge or consolidate with the Company (provided that the Company shall be the continuing or surviving corporation), or with any one or more other Subsidiaries;

(b) any Subsidiary may sell, lease, transfer or otherwise dispose of any of its assets to the Company or another Subsidiary; and

(c) the Company may merge or consolidate with any other corporation, provided that (i) the Company shall be the continuing or surviving corporation, (ii) after giving effect to such merger or consolidation, no Default shall exist under this Agreement and (iii) without limiting the foregoing, assuming that the effective date of such merger or consolidation was the last day of a fiscal quarter, no Default would exist under the financial covenants contained in this Section 9.

9.6. Limitation on Liens. The Company will not, nor will it permit any of its Subsidiaries to, create, incur, assume or suffer to exist any Lien upon any of its property, whether now owned or hereafter acquired, except:

(a) Liens for taxes not yet due or which are being actively contested in good faith by appropriate proceedings and as to which such reserves or other appropriate provision as may be required by GAAP are being maintained;

(b) carriers', warehousemen's, mechanics', materialmen's, repairmen's, and other like statutory Liens arising in the ordinary course of business securing obligations which are not overdue for a period of more than 30 days or which are being contested in good faith and by appropriate proceedings and as to which such reserves or other appropriate provisions as may be required by GAAP are being maintained;

(c) pledges or deposits in connection with workers' compensation, unemployment insurance and other social security legislation;

(d) deposits to secure the performance of bids, trade contracts, leases, statutory obligations and other obligations of a like nature incurred in the ordinary course of business;

(e) Liens granted by any Subsidiary to secure such Subsidiary's indebtedness to the Company or to any other Subsidiary; and

(f) the Lien provided for in Section 4.5(a) and other Liens in favor of the Bank.

9.7. Indebtedness. The Company will not, and will not permit any of its Subsidiaries to, create, incur or suffer to exist any Indebtedness except:

(a) Indebtedness to the Bank hereunder;

(b) Indebtedness outstanding on the date hereof and listed in Schedule 2 hereto, other than the Indebtedness listed under the caption "Refinanced Indebtedness Agreement";

(c) Indebtedness of any Subsidiary to the Company or any other Subsidiary;

(d) Indebtedness hereinafter incurred in connection with Liens permitted by Section 9.6; and

(e) other Indebtedness approved in writing by the Bank.

9.8. Acquisitions. The Company shall not, and shall not permit its Subsidiaries to (whether in one transaction or a series of transactions), purchase or acquire any capital stock or other ownership interests of, or the business or assets of, any Person; provided, that this Section 9.8 shall not prohibit (i) the acquisition of equipment, inventory, supplies and materials in the ordinary course of business of the Company and its Subsidiaries as conducted on the date of this Agreement or (ii) any other purchase or acquisition if (x) the aggregate amount of cash and other consideration paid in respect thereof (including any Indebtedness incurred, issued or assumed as part of such transaction) for all such transactions in any fiscal year does not exceed 10% of the consolidated assets of the Company and its Subsidiaries as of the last day of the preceding fiscal year and (y) after giving effect to such transaction, no Default shall exist hereunder.

9.9. Lines of Business. The Company will not, nor will it permit any of its Subsidiaries to, engage to any substantial extent in any line of business other than the business engaged in on the date hereof.

9.10. Tangible Net Worth. The Company will maintain, as at the last day of each fiscal quarter beginning with the fiscal quarter ending December 31, 1996, a Consolidated Tangible Net Worth of not less than (a) \$70,000,000 plus the greater of (i) \$5,000,000 or (ii) 50% of Net Income, if positive, for each fiscal quarter from and including the fiscal quarter ending

_____, 199__ through and including the fiscal quarter then ended plus (b) the net proceeds of the issuance of any capital stock of the Company and its Subsidiaries, all calculated in accordance with GAAP.

9.11. Cash Flow. The Company will not permit Consolidated Cash Flow for any four fiscal quarter period ending on the last day of each fiscal quarter, commencing on _____, to be less than \$5,000,000.

9.12. Total Liabilities to Tangible Net Worth. The Company will not permit the ratio of the consolidated total liabilities of the Company and its Subsidiaries determined in accordance with GAAP on the last day of each fiscal quarter to (b) Consolidated Tangible Net Worth, on the last day of each fiscal quarter, be greater than 1.0:1.0.

9.13. Sale of Stock of Subsidiaries. The Company will not, and will not permit any Subsidiary to, sell or otherwise dispose of, or part with control of, any shares of stock of any Subsidiary, except to the Company or another Subsidiary.

9.14. Restrictions on Transactions with Affiliates and Stockholders. The Company will not, and will not permit any Subsidiary to, directly or indirectly, purchase, acquire or lease any property from, or sell, transfer or lease any property (other than shares of stock of the Company) to, or otherwise deal with, in the ordinary course of business or otherwise (a) any Affiliate or Substantial Stockholder, or (b) any Person in which an Affiliate, Substantial Stockholder or the Company (either directly or through Subsidiaries) owns 5% or more of the outstanding Voting Stock or other ownership interests, except that (i) any such Affiliate or Substantial Stockholder may be a director, officer or employee of the Company or any Subsidiary and may be paid reasonable compensation in connection therewith and (ii) such acts and transactions prohibited by this Section 9.17 may be performed or engaged in if (x) specifically authorized by the Company's Board of Directors (exclusive of any Affiliate or Substantial Stockholder who is a director and who have a direct or indirect interest in such transaction) and (y) upon terms not less favorable to the Company or a Subsidiary (as the case may be) than if no such relationship described in clauses (a) and (b) above existed.

9.15. Issuance of Stock by Subsidiaries. The Company will not permit any Subsidiary (either directly, or indirectly by the issuance of rights or options for, or securities convertible into, such shares) to issue, sell or otherwise dispose of any shares of any class of its stock (other than directors' qualifying shares) except to the Company or another Subsidiary.

9.16. Compliance with ERISA. The Company will not, and will not permit any Subsidiary to, engage in any transaction in connection with which the Company or any Subsidiary could be subject to either a civil penalty assessed pursuant to Section 502(i) of ERISA or a tax imposed by Section 4975 of the Code, terminate or withdraw from any Plan (other than a Multiemployer Plan) in a manner, or take any other action with respect to any such Plan (including, without limitation, a substantial cessation of operations within the meaning of Section 4062(f) of ERISA), which could result in any liability of the Company or any Subsidiary to the PBGC, to a trust established pursuant to Section 4041(c)(3)(B)(ii) or (iii) or 4042(i) of ERISA, or to a trustee appointed under Section 4042(b) or (c) of ERISA, incur any liability to the PBGC on

account of a termination of a Plan under Section 4064 of ERISA, fail to make full payment when due of all amounts which, under the provisions of any Plan, the Company or any Subsidiary is required to pay as contributions thereto, or permit to exist any accumulated funding deficiency, whether or not waived, with respect to any Plan (other than a Multiemployer Plan), if, in any such case, such penalty or tax or such liability, or the failure to make such payment, or the existence of such deficiency, as the case may be, could have a material adverse effect on the Company and its Subsidiaries taken as a whole.

9.17. Restricted Payments. The Company will not purchase or redeem any shares of its stock, declare or pay any dividends thereon (other than stock dividends), make any distribution to stockholders as such or set aside any funds for any such purpose, and not prepay, purchase or redeem, and not permit any Subsidiary to purchase, any subordinated Indebtedness of the Company [in excess, in the aggregate for all such transactions by the Company and its Subsidiaries, of ____% of cumulative net earnings, computed on a consolidated basis, from _____ to the date of any such transaction].

9.18. Guaranties. The Company will not, and not permit any Subsidiary to, become or be a guarantor or surety of, or otherwise become or be responsible in any manner (whether by agreement to purchase any obligations, stock, assets, goods or services, or to supply or advance any funds, assets, goods or services, or otherwise) with respect to, any undertaking of any other Person, except for the endorsement, in the ordinary course of collection, of instruments payable to it or its order.

9.19. Investment. The Company will not, and not permit any Subsidiary to, make or permit to exist any Investment in any Person, except for:

- (a) loans or advances constituting Indebtedness of Subsidiaries to the Company and to other Subsidiaries permitted by clause (c) of Section 9.7;
- (b) extensions of credit in the nature of accounts receivable or notes receivable arising from the sale of goods and services in the ordinary course of business;
- (c) shares of stock, obligations or other securities received in settlement of claims arising in the ordinary course of business;
- (d) Investments in securities with maturities of one year or less from the date of acquisition issued or fully guaranteed or insured by the United States of America or any agency thereof;
- (e) Investments in commercial paper maturing in 270 days or less from the date of issuance rated in the highest grade by a nationally recognized credit rating agency;
- (f) Investments in certificates of deposit maturing within one year from the date of acquisition issued by a bank or trust company organized under the laws of the United States of America or any state thereof having capital, surplus and undivided profits aggregating at least \$100,000,000;

(g) Investments (other than Investments in the nature of loans or advances) outstanding on the date hereof in Subsidiaries by the Company and other Subsidiaries; and

(h) other Investments outstanding on the date hereof and listed on Schedule 5.

Section 10. Events of Default. If one or more of the following events (each, an "Event of Default") shall occur and be continuing:

(a) The Company shall default in the payment (other than a voluntary prepayment) when due of any principal of or interest on any Loan, or any reimbursement obligation under any Letter of Credit Application or any fee or other amount payable by it hereunder and such default (in the case of interest only) shall continue for a period of three (e) days; or

(b) The Company or any of its Subsidiaries shall default in the payment when due of any principal of or interest on any of its other Indebtedness in the aggregate amount of \$ _____ or more; or any event specified in any note, agreement, indenture or other document creating, evidencing or securing any such Indebtedness shall occur if the effect of such event is to cause, or to permit the holder or holders of such Indebtedness (or a trustee or agent on behalf of such holder or holders) to cause, such Indebtedness to become due, or to be prepaid in full, prior to its stated maturity; or

(c) Any representation, warranty or certification made or deemed made herein, or in any certificate or other writing furnished to the Bank pursuant to the provisions hereof, shall prove to have been false or misleading as of the time made or furnished in any material respect; or

(d) The Company shall default in the performance of any of its obligations under Section 8.3, 8.5, 8.6, 8.7, 8.8, 8.10, 8.11, 8.12, 8.13, 8.14, 8.15, 8.16, 8.17, 8.18 or 8.19 hereof; or

(e) The Company shall default in the performance of any of its other obligations in this Agreement and such default shall continue unremedied for a period of 30 days after notice thereof to the Company by the Bank; or

(f) The Company or any of its Subsidiaries shall admit in writing its inability to, or be generally unable to, pay its debts as such debts become due; or

(g) The Company or any of its Subsidiaries shall (i) apply for or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee or liquidator of itself or of all or a substantial part of its property, (ii) make a general assignment for the benefit of its creditors, (iii) commence a voluntary case under the Bankruptcy Code (as now or hereafter in effect), (iv) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up, or composition or readjustment of debts, (v) fail to controvert in a timely and appropriate manner, or acquiesce in writing to, any petition filed

against it in an involuntary case under the Bankruptcy Code, or (vi) take any corporate action for the purpose of effecting any of the foregoing; or

(h) A proceeding or case shall be commenced, without the application or consent of the Company or any of its Subsidiaries, in any court of competent jurisdiction, seeking (i) its liquidation, reorganization, dissolution or winding-up, or the composition or readjustment of its debts, (ii) the appointment of a trustee, receiver, custodian, liquidator or the like of the Company or such Subsidiary or of all or any substantial part of its assets, or (iii) similar relief in respect of the Company or such Subsidiary under any law relating to bankruptcy, insolvency, reorganization, winding-up, or composition or adjustment of debts; and such proceeding or case shall continue undismissed, or an order, judgment or decree approving or ordering any of the foregoing shall be entered and continue unstayed and in effect, for a period of 60 or more days; or an order for relief against the Company or such Subsidiary shall be entered in an involuntary case under the Bankruptcy Code; or

(i) A final judgment or judgments in an amount in excess of \$_____ in the aggregate is rendered against the Company or any Subsidiary and, within 60 days after the entry thereof, such judgment or judgment(s) are not discharged or execution thereof stayed pending appeal, or within 60 days after the expiration of any such stay, such judgments are not discharged; or

(j) An event or condition specified in Section 7.8(b) shall occur or exist with respect to any Plan or Multiemployer Plan if as a result of such event or condition, together with all other such events or conditions, the Company or any ERISA Affiliate shall incur or in the opinion of the Bank shall be reasonably likely to incur a liability to a Plan, a Multiemployer Plan or the PBGC (or any combination of the foregoing) which is, in the determination of the Bank, material in relation to the consolidated financial condition, business or operations taken as a whole of the Company; or

THEREUPON: (i) in the case of an Event of Default (other than one referred to in subsection (g) or (h) of this Section 9 with respect to the Company) the Bank, may, by notice to the Company, cancel the Commitment and/or declare the principal amount then outstanding of, and the accrued interest on, the Loans and all other amounts payable by the Company hereunder and under the Note (including, without limitation, any amounts payable under Section 5.5 hereof) to be forthwith due and payable, whereupon such amounts shall be immediately due and payable without presentment, demand, protest or other formalities of any kind, all of which are hereby expressly waived by the Company; and (ii) in the case of the occurrence of an Event of Default referred to in subsection (g) or (h) of this Section 9 with respect to the Company, the Commitment shall automatically be canceled and the principal amount then outstanding of, and the accrued interest on, the Loans and all other amounts payable by the Company hereunder and under the Note (including, without limitation, any amounts payable under Section 5.5 hereof) shall automatically become immediately due and payable without presentment, demand, protest or other formalities of any kind, all of which are hereby expressly waived by the Company.

Section 11. Miscellaneous.

11.1. Waiver. No failure on the part of the Bank to exercise, no delay in exercising, and no course of dealing with respect to, any right, power or privilege under this Agreement or the Note shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The remedies provided herein are cumulative and not exclusive of any remedies provided by law.

11.2. Notices. All notices and other communications provided for herein shall be given or made in writing and telecopied, mailed or delivered to the Company or the Bank, to its respective address or telecopy number set forth on the signature pages hereof, and to any party, at such other address as shall be designated by such party in a notice to the other party. Except as otherwise provided in this Agreement, all such communications shall be deemed to have been duly given when properly transmitted by telecopier or personally delivered or, in the case of a mailed notice, three Business Days after being deposited in the mail, first class postage prepaid, in each case given or addressed as aforesaid.

11.3. Expenses, Etc. The Company agrees to pay or reimburse the Bank for: (a) all reasonable out-of-pocket costs and expenses of the Bank (including, without limitation, the reasonable fees and expenses of Gardner, Carton & Douglas, special counsel to the Bank and the fees of attorneys who may be employees of the Bank) in connection with (i) the negotiation, preparation, execution and delivery of this Agreement, the Note and the making of the Loans hereunder, (ii) any amendment, modification or waiver of any of the terms of this Agreement or the Note, and (iii) any examination and inspection of the Company by the Bank pursuant to Section 8.3(f) hereof; (b) all reasonable costs and expenses of the Bank (including reasonable counsels' fees who may be employees of the Bank) in connection with any Default and any enforcement or collection proceedings resulting therefrom; and (c) all transfer, stamp, documentary or other similar taxes, assessments or charges levied by any governmental or revenue authority in respect of this Agreement, the Note or any other document referred to herein or therein.

11.4. Amendments, Etc. This Agreement or any provision hereof may be waived, amended or modified only by an instrument in writing signed by the Company and the Bank.

11.5. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

11.6. Assignments and Participations.

(a) The Company may not assign its rights or obligations hereunder or under the Note without the prior written consent of the Bank.

(b) The Bank may, in the ordinary course of its business and in accordance with applicable law, at any time sell to one or more banks or other entities ("Participants") participating interests in any Loan owing to the Bank, the Note held by the Bank, the Commitment of the Bank or any other interest of the Bank.